



COMMUNITY DEVELOPMENT COMMISSION

County of Los Angeles

2 Coral Circle • Monterey Park, CA 91755

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Carlos Jackson

Executive Director

August 3, 2004

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**RESOLUTION APPROVING ISSUANCE OF MULTIFAMILY HOUSING REVENUE
BONDS FOR LUTHERAN GARDENS APARTMENTS IN UNINCORPORATED
COMPTON (2)
(3 Vote)**

IT IS RECOMMENDED THAT YOUR BOARD:

Adopt and instruct the Chair to sign a Resolution, as required under Section 147(f) of the United States Internal Revenue Code of 1986, approving the issuance of Multifamily Housing Revenue Bonds by the California Statewide Communities Development Authority (CSCDA), in an amount not exceeding \$7,000,000, to assist Lutheran Gardens, L.P. (the Developer) in financing the acquisition and rehabilitation of Lutheran Gardens Apartments, a 76-unit affordable multifamily housing development located at 2431 East El Segundo Boulevard, in unincorporated Compton.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to approve the issuance of Multifamily Housing Revenue Bonds by the CSCDA to finance the acquisition and rehabilitation of 76 units of affordable housing in unincorporated Compton. The County of Los Angeles is a participant in the CSCDA joint powers authority. The Board will merely be approving the issuance of the bonds, as required under Section 147(f) of the United States Internal Revenue Code of 1986. This Section requires that there be public approval of the bond issuance by the elected representative of the governmental unit having jurisdiction over the area in which the bonds are expected to be issued and in which the facility to be financed is located. The members of your board are the elected representatives of the County. Approval by your board permits the issuance of bonds but does not commit the

County or CSCDA to the approval of project financing or authorize the rehabilitation of the project.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The Developer will pay all fees and related costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The development will consist of the acquisition and rehabilitation of 15 two-story, wood frame townhomes containing 76 apartments, located at 2431 East El Segundo Boulevard in unincorporated Compton. At least 20 percent of the total units will be reserved for households with incomes not exceeding 50 percent of the area median income (AMI) for the Los Angeles-Long Beach Metropolitan Statistical Area, adjusted for family size, as defined by the U.S. Department of Housing and Urban Development (HUD). The remaining units will be reserved for households with incomes not exceeding 60 percent of the AMI. The affordability requirements will remain in effect for a minimum of 55 years.

CSCDA was organized pursuant to a joint exercise of powers agreement entered into by a number of California cities and counties, including the County of Los Angeles, pursuant to the provisions of the Joint Powers Act, Section 6500, et seq., of the California Government Code. The Joint Powers Act authorizes CSCDA to issue bonds, notes, other evidences of indebtedness or certificates of participation in leases or other agreements in order to promote economic development, including the provision and maintenance of multifamily housing.

On July 21, 2004, pursuant to Section 147(f) of the United States Internal Revenue Code, the Commission conducted a hearing at its office located at 2 Coral Circle in the City of Monterey Park, regarding the issuance of multifamily bonds to finance the Lutheran Gardens Apartments project. No comments were received at the public hearing concerning the issuance of the bonds or the nature and location of the project.

The attached Resolution has been prepared by Orrick, Herrington & Sutcliffe, Bond Counsel to the CSCDA, and has been approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION:

The approval of the issuance of bonds is not subject to the provisions of the California Environmental Quality Act (CEQA) in that it does not meet the definition of a project set forth in Section 15378 of the CEQA Guidelines. Moreover, the action is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is

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no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

IMPACT ON CURRENT PROJECT:

The proposed action will increase the supply of affordable multifamily housing in the County.

Respectfully submitted,

CARLOS JACKSON

Executive Director

Attachment: 1

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES APPROVING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

WHEREAS, the California Statewide Communities Development Authority (the "CSCDA") is authorized pursuant to the provisions of California Government Code Section 6500 *et seq.* and the terms of an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local agencies throughout the State of California, including the County of Los Angeles (the "County"), to issue revenue bonds in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code for the purpose of financing multifamily rental housing projects; and

WHEREAS, Lutheran Gardens, L.P., a California limited partnership, or a related entity, has requested that the CSCDA adopt a plan of financing to provide for the issuance of multifamily housing revenue bonds in one or more series issued from time to time, including bonds issued to refund such revenue bonds in one or more series from time to time, and at no time to exceed \$7,000,000 in outstanding aggregate principal amount, to finance the acquisition, construction and development of a 76-unit multifamily rental housing project, located at the 2431 East El Segundo Boulevard, unincorporated Compton, California, and generally known as Lutheran Gardens Apartments (the "Project"); and

WHEREAS, the Bonds or a portion thereof will be "private activity bonds" for purposes of the United States Internal Revenue Code of 1986 (the "Code"); and

WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance, private activity bonds are required to be approved by the "applicable elected representative" of the governmental units on whose behalf such bonds are expected to be issued and by a governmental unit having jurisdiction over the entire area in which any facility financed by such bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the members of this Board of Supervisors are the applicable elected representatives of the County; and

WHEREAS, notice of the public hearing held on July 21, 2004, regarding issuance of the Bonds, was published at least 14 days prior to the date hereof, in a newspaper of general circulation within the County; and

WHEREAS, such public hearing was conducted on said date by the Community Development Commission of the County of Los Angeles, at which time an

opportunity was provided to interested parties to present arguments both for and against the issuance of the Bonds; and

WHEREAS, it is intended that this resolution shall constitute the approval of the issuance of the Bonds required by Section 147(f) of the Code and Section 9 of the Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES AS FOLLOWS:

Section 1. The above recitals are true and correct.

Section 2. The Board of Supervisors hereby approves the issuance of the Bonds by the CSCDA. It is the purpose and intent of the Board that this resolution constitute approval of the Bonds for the purposes of (a) Section 147(f) of the Code and (b) Section 9 of the Agreement.

Section 3. The officers of the County are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this Resolution and the financing approved hereby.

Section 4. The Executive Officer-Clerk of the Board of Supervisors is directed to forward a certified copy of this Resolution and a copy of the affidavit of publication of the hearing notice to:

Justin Cooper, Esq.
Orrick, Herrington & Sutcliffe LLP
Old Federal Reserve Bank Building
760 Sansome Street
San Francisco, California 94111

Section 5. This resolution shall take effect immediately upon its passage.

ADOPTED by the Board of Supervisors of the County of Los Angeles at a regular meeting of said Board held on the ____ day of _____, 2004, by the following vote:

AYES:

NOES:

ABSENT:

Chairman of the
Board of Supervisors

ATTEST:

Violet Varona-Lukens
Executive Officer-Clerk
Of the Board of Supervisors

APPROVED AS TO FORM:

Office of the County Counsel

By: _____
Deputy